

A Strategic Cooperation Agreement Between



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Signed

on 27 October 2020

Disclaimer

This presentation and subsequent discussion may contain certain forward-looking statements. These forward-looking statements reflect the company's view on some future events and involve known and unknown risks and uncertainties and other factors which may cause actual performance and development differ materially. Past performance cannot be relied on as a guide for future performance.

A Rmb4.7 Billion Mega Project acquired by Towngas China



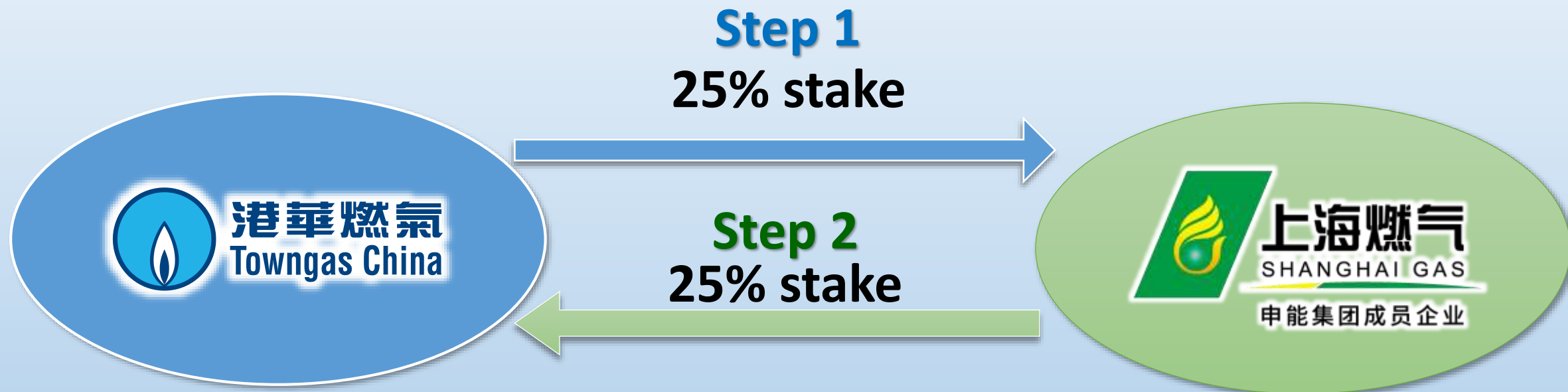
Rmb4.7Bn
acquires

25% stake of
enlarged capital



	TCCL	Shenergy	
• Shareholding	25%	75%	
• Board seats	1	4	
• Supervisory Board Seats	1	1	(1 employees' representative)
• Management	Deputy General Manager Deputy Finance Manager Active participation in management		



A Rmb4.7 Billion Mega Project acquired by Towngas China



- **Valuation: Rmb 14.3 Billion**
- **Gas sales: FY 9.38 Billion m³ (est.)**
- **Customers: 6.3 Mn**
- **Pipelines: >25,000 km**
- **LNG receiving terminals & 25% shareholdings of Jintan gas storage (phase 1)**

Towngas China Coverage after the Deal

Total **129** projects in PRC

Piped city-gas		Distributed Energy	
Midstream		Refilling Station	
LNG Terminal		Others	

@31.8.2020



Customers

13.7 million

6.2 million

Geographical

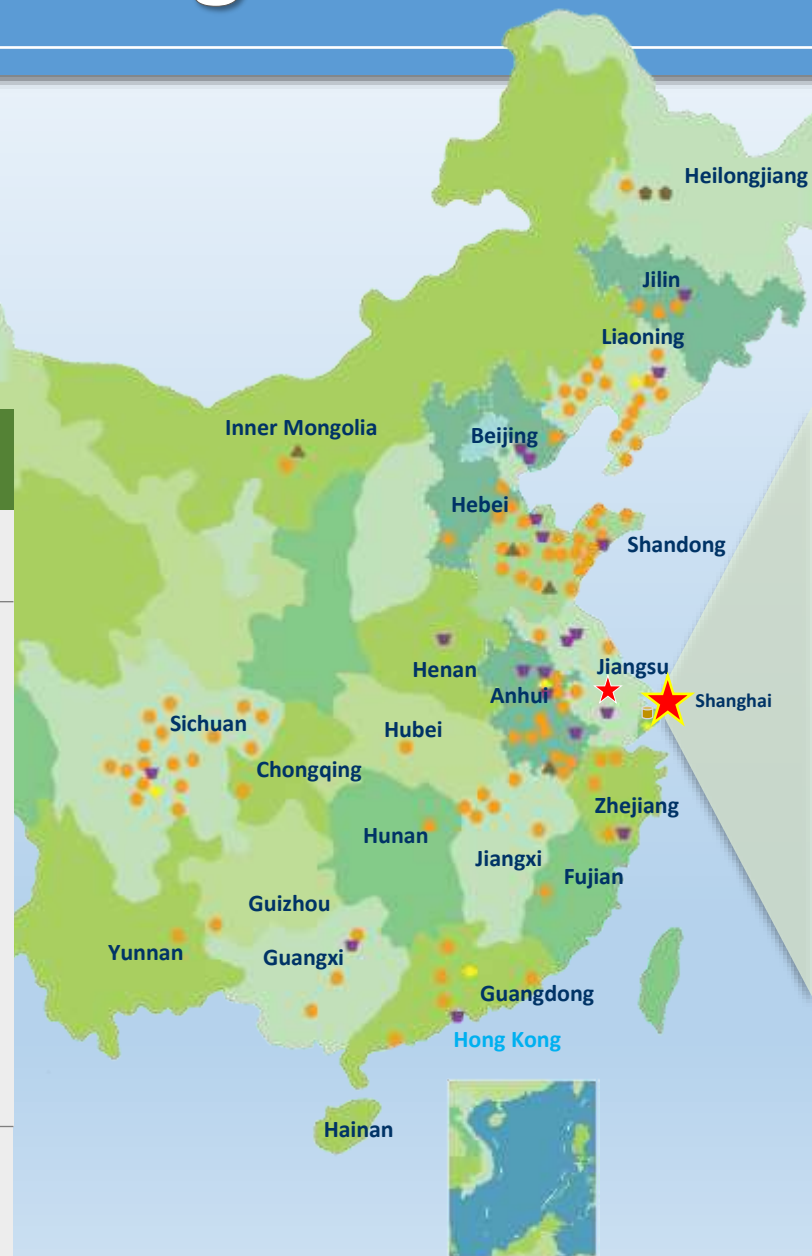
- 21 Provincial regions
- 98 city-gas projects

Greater Shanghai with expanding territories

- Lingang New District (臨港新區)
- Qingpu New District (青浦新區)
- Model district for Integrated development of Yangtze River Delta (長三角一體化發展示範區)

Combined

99 City-gas Projects
20 million customer



Security of Natural Gas Supply & Trading

Towngas China 港華燃氣 Towngas China

- Large underground gas storage facilities at Jintan, Jiangsu province



Shanghai Gas 上海燃气 SHANGHAI GAS 申能集团成员企业

Wuhaogou (五号沟) (Shanghai Gas)

- LNG Terminal: 1.5M tons p.a.
- LNG Storage : 320,000 m³



Yangshan Port (洋山港) (Shenergy, parent company of Shanghai Gas)

- LNG Terminal: 3M tons p.a.
- LNG Storage : 880,000 m³






- Pipelines connecting the underground gas storage and the LNG terminals
- Global LNG sourcing & trading opportunities
- More stable gas supply with lower cost

Promotion of Extended Value-added Services

Towngas China  港華燃氣
Towngas China

Shanghai Gas  上海燃氣
SHANGHAI GAS
中國城市燃氣企業

- HKCG becomes the largest city gas Group in the PRC with 40 million customers
- Selling of gas appliances
 - ❖ Cooking appliances, water-heaters, gas cloth dryers, space-heating equipment
 - ❖ Kitchen cabinet & solutions
 - ❖ Bauhinia  , Mia Cucina 
港華紫荆 BAUHINIA KITCHENS BY TOWNGAS
- Other value-added services (名氣家 )
 - ❖ Home Insurance
 - ❖ E-commerce
- Consumer finance business

Engineering & Smart Energy Opportunities

Towngas China



Shanghai Gas



- The largest gas volume city gas Group in the PRC
- Sharing best practice in management know-how, talents, technical and operational expertise
- Riding on the expertise of two Groups to develop Smart Energy business

Strategic Partnership: to extend cooperation in multiple areas



- Shanghai Gas has 25% shareholdings in underground gas storage facilities in Jintan, Jiangsu province
- Towngas China will form a JV with Shenergy to develop consumer finance business on 40 million customer base
- To utilize the huge customer base to develop and promote more value-added businesses and services
- HKCG Group becomes the largest city gas Group in the PRC
- TCCL has a stronger gas positioning in Eastern part of China
- Strengthen TCCL's business growth and its influence in the PRC city-gas market

A Tale of Two Cities

A group of British entrepreneurs incorporated HKCG and Shanghai Gas in 1862. Street gas lamps enlightened Hong Kong and Shanghai in 1864 and 1865 respectively...



1865, Shanghai



1864, Hong Kong

... After one and a half centuries, HKCG and Shanghai Gas finally reunited again for a brighter and more prosperous future.

Caution Statement

Shareholders and potential investors of The Hong Kong and China Gas Co. Ltd. (HKCG) and Towngas China Co. Ltd. (TCCL) should note that the deal is subject to conditions. HKCG and TCCL Shareholders and potential investors are advised to exercise caution when dealing in the shares and/or securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

Thank You